

# **FISCAL MEMORANDUM**

## **HB 895 – SB 1752**

April 2, 2007

**SUMMARY OF AMENDMENT (005528):** Deletes the original language of the bill. Makes multiple changes to sales tax law as it applies to video programming services and video programming service providers.

### **FISCAL IMPACT OF ORIGINAL BILL:**

Increase State Revenues - \$2,976,000

Increase Local Govt. Revenues - \$957,000

### **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Increase State Expenditures - \$32,400 One-Time**

**State Revenues – Net Impact – Not Significant**

Assumptions applied to amendment:

- The changes as proposed within this amendment requires all video programming services, regardless of how such services are transmitted or conveyed to end users, be taxable at the same rate(s) and in the same manner that traditional cable television services have been taxed under current law.
- “Video programming services” means programming provided by or generally considered comparable to programming provided by a television broadcast station and shall include cable television services sold by a provider authorized pursuant to Title 7, Chapter 59, wireless cable television services (multipoint distribution service/multichannel distribution service) and video services provided through wireline facilities located at least in part in the public rights-of-way without regard to delivery technology, including internet protocol technology.
- The total number of subscribers in Tennessee remains relatively constant.

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- There will be a one-time increase to state expenditures estimated to be \$32,400 for software and computer enhancements.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly distinguishable.

James W. White, Executive Director

/rnc